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THE REAGAN ADMINISTRATION'S SECRET ARMS DEAL

Weinberger Faces Quiz on Arms Sale

Iran Received Bargain Rates, Documents Indicate

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Defense Secretary Caspar W. Weinberger will make his first appearance today before the Senate Select Committee on Intelligence since the Iran-contra controversy erupted and is expected to be quizzed about whether Iran bought U.S. weapons at bargain rates.

Pentagon officials have said they sold the Central Intelligence Agency 2,008 TOW antitank missiles and an unspecified number of Hawk anti-aircraft missile components. The CIA, in turn, arranged for their sale to Iran.

CIA Director William J. Casey has said \$12.2 million passed through a CIA bank account to repay the Pentagon for the TOWs and the Hawk components, but has said he did not know the source of the money.

Iran got a bargain even if the TOWs it purchased resemble the cheapest ones in the Pentagon's latest weapons book. The procurement catalog for fiscal 1987 shows the Marines paying \$9,860 each for an older version of the TOW than the Army had on order, the TOW II, which cost \$11,216 each.

Even if Iran's entire \$12.2 million went for the 2,008 TOWs, the

price for each would come to about \$6,000, or one-third off the Marines' price tag. If Iran paid the Marines' price of \$9,860 each, its 2,008 TOWs would have cost \$19.8 million.

Weinberger has stressed that the TOWs that went to Iran were older weapons and that the Pentagon sold them to the CIA under the Economy Act. If the U.S. weapons had been sold under usual procedures, the Arms Export Control Act—which requires the Pentagon to notify Congress of any foreign arms sale exceeding \$14 million—would have applied.

Several committees are studying whether the Iran sale justifies additional legislation to prevent the Pentagon and CIA from evading Congress in selling weapons abroad.

Army officials said yesterday they still could not release the price of the TOWs sold to Iran or how the amount was calculated. The Army has been pressed by reporters for more than a week to explain the price. An Army spokesman said yesterday that the service was told to turn news queries over to the Defense Department.

Without knowing which Hawk components Iran purchased it is impossible from public documents to estimate their market price.

President Reagan in a news conference mistakenly referred to the TOW—which stands for tube-launched, optically tracked, wire-guided—as a shoulder-fired weapon. Because of its weight, the weapon requires more than one man to handle it, but it can be mounted on a jeep or in a helicopter.

Iran employs TOW missiles in its war with Iraq to knock out tanks and other armored vehicles. Hawk missiles are used against attacking aircraft, and are effective at low and medium altitudes. Iraqi pilots usually bomb from high altitude, apparently to keep out of range of Iran's Hawks.

The House Armed Services Committee has submitted detailed questions to the Army on the TOW and Hawk sale to Iran. A committee staff member said the panel wanted to determine how the weapons were priced, how their sale affected readiness of U.S. forces and whether the procedures were flawed and need correction through legislation.

Senators on the intelligence committee are expected to ask Weinberger today whether the desire to obtain money for the Nicaraguan rebel forces affected the prices the CIA has publicly reported and actually paid for the weapons from Pentagon stocks.